

Lexington, Kentucky January 25, 2006

The Council of the Lexington-Fayette Urban County Government, Kentucky convened in regular session on January 25, 2006 at 12:00 Noon, in the Bluegrass Ballroom of the Lexington Center, 430 West Vine Street, Lexington, Ky. Present were Mayor Teresa Ann Isaac in the chair presiding, and the following members of the Council: Council Members Brown, Cegelka, DeCamp, Ellinger, Farmer, Gorton, Lane, McChord, Moloney, Shafer, Stinnett and Wigginton. Absent were Council Members Myers, Scanlon and Stevens.

The Mayor gave her STATE OF THE MERGED GOVERNMENT ADDRESS as follows:

Council Members, government employees and the great citizens of Lexington-Fayette County. It is my honor and great privilege to be with you today in the Horse Capital of the World. In four short years millions of people from every continent will have an opportunity to see one of the world's most beautiful natural landscapes as they watch the World Equestrian Games. We are the Horse Capital of the World and I'm proud to say that wherever I go. I want to thank the Kentucky Thoroughbred Association and the Kentucky Thoroughbred Owners and Breeders Incorporated for sponsoring this wonderful luncheon and the State of the Merged Government Address. The equine industry is the reason we are the Horse Capital of the World. It is our most notable and significant identifier. It is our past, it is our present, and it will remain who we are in our future. The equine industry deserves a fair shake and every consideration to strengthen your farms and your horses. Removal of the sales tax on feed will help in this area and I have instructed our lobbyist to work toward this end. I could sum up the state of our government by saying we are sound, secure, financially stable, prosperous, and filled with optimism about the future.

But those words while true, don't describe the journey we have been on together during the past four years. Lexington has changed in three years. We've done things that at one time were viewed as impossible or too difficult to achieve because of indecision, divisiveness, lack of will, and lack of community support.

We have met all of those challenges, and Lexington has changed for the better and will continue to change for the better. As everyone knows, the Lexington Housing Authority received a 20-million dollar Hope VI grant from the Department of Housing and Urban Development for the re-development of the Bluegrass-Aspendale area. We also secured a 16-million dollar grant for continued work on the Newtown Pike Extension. Many of us here today are longtime Lexington residents so you can easily visualize how the vitality of both those areas will be important to the economic growth of our city, the University of Kentucky, and for generations of residents to come. Public safety in Lexington has changed dramatically. There are no more dedicated and professional officers anywhere in the country than the men and women of our police, fire, and community corrections divisions. I want to thank the council for supporting me in keeping public safety our top priority over the last three years. While many cities go through agonizing labor strife that can turn ugly and unprofessional, We were able to negotiate two collective bargaining agreements with Police and fire without hostility or resentment by either side. I spend a lot of time with our police officers and firefighters and I can tell you that morale is great, and it's a good feeling to know that these officers will not be moving to other cities or counties to work. We've stemmed the tide. In fact, we've added staff to strengthen our commitment to keep our citizens and our property safe. Lexington is changing for our youth; especially those who are at risk. We have made a difference. We have success stories to tell about young people in Lexington turning their lives around.

We have opened a new 26-thousand square foot Day Treatment Center to help teenagers find the right path for them to take in order to be successful in life and in school. Lexington is changing for our senior citizens. We realize that when we say “we are a livable city” we are livable and accessible for everyone. We initiated “Project Life Saver enabling our police to locate Alzheimer’s patients or other senior citizens who may have wandered away. We are part of a national project to make sure cities across America are planned and developed to accommodate every demographic. Lexington is changing in technology as well.

Three years ago, I asked you for the opportunity to lay the groundwork to put Lexington in the excellent position it is in today.

We’ve now become the first city in the nation to work with Skytel in offering wireless internet service downtown. It is our goal to work toward expanding this service in the near future to the entire urban service area. We are the first city in Kentucky to fully implement enhanced 911 for wireless telephone customers anywhere in Fayette County. We’re changing, and we’re changing for the better.

It would be untrue and unfair if I were to stand here and take credit for all the wonderful things that are happening in our city. I have done my part as Mayor.

However, nothing could be done without all the employees of the Urban County Government who are responsible for the outstanding day-to-day service given to our citizens. We all owe them a great deal of gratitude. We are a city changing to meet the demands of industry, business and entertainment. Because of our national rankings in these areas, tourism has increased significantly and will continue to do so. People want to see the Horse Capital of the World and we have so much to show them. So much more than we did three years ago, before the expansion of this beautiful civic center, and before the re-vitalization of downtown.

We have expanded tours of the most beautiful horse farms that could possibly exist. We have national acts coming to Lexington more frequently than ever. We have festivals, parades, jam sessions, and art and cultural exhibits year round. All the things that make people comfortable living here and visiting here.

And while we welcome visitors from around the world and from across this country, soon we will have our very own special event. Even in the face of the World Equestrian Games; is there anything more special to Lexington and the commonwealth than the “Sweet Sixteen?” We have changed in our approach to dealing with environmental issues. By forming partnerships with UK and Fayette County Schools, we are working together on the “Project for a Green Community” to protect our environment. I want to thank Dr. Lee Todd and Stu Silberman for their leadership in this area, and to the residents who give their support and ideas so that we will have a cleaner, healthier place to live and work.

There are many things about the state of our city and the state of our government to like and be proud of. But the thing that pleases me most is our feeling of community and our ability to get the job done as a community. There will always be disagreements in government, and there will always be great passion on each side of any issue. And if we’ve proven anything over the past three years, we’ve proven that government and passion go hand in hand. That is a good thing. It is good government. We can easily look at the big “Headline Grabbing” issues we’ve had to face, but we must also recognize the smaller, day-to-day issues that we get through as well. Those are the issues that bond us together as our city changes and progresses.

After all we’ve been through I’m proud to wear the name-tag that says... “Master of Disaster.” I accept that title on behalf of your Urban County Government because in a crisis, we show

time and time again that we are prepared, we execute sound policy decisions, and we can get the job done to protect our citizens in an emergency, and to help others if necessary. We demonstrated that as 390 families who were victims of Hurricane Katrina came through our Disaster Assistance Center which was up and running in record time. 77 of those families felt so at home here that they decided to stay and make a new and productive life. We continue to help hurricane victims as 18 of our firefighters will go to Louisiana over the next six weeks. This follows 33 firefighters who went to Texas and Mississippi in the aftermath of the storms. Be comforted that we live in a city that can handle disasters and emergencies. The clean-up and recovery from the Ice storm and tornado in Lexington was accomplished quickly, efficiently and with the greatest concern for residents and businesses. I promise you that if we are hit with another crisis of any kind, we will do no less, and will do even more, to get through it with minimal negative effect as we have done in the past. 2005 was a banner year for Lexington in so many key areas and make no mistake about it, national rankings mean a great deal and I'll tell you why. Cities compete for these rankings, and would gladly have the distinctions we have earned. America's Promise, the organization founded by Gen. Colin Powell, placed Lexington in the special ranks of "The 100 best Communities for Young People." It wasn't until we went to Washington to receive the award that I was able to get the full effect of what this means. I have never been more proud of Lexington than to stand there and have us recognized as a community young people have a stake in and have opportunity in. Our Division of fire and Emergency Services along with Government Communications has produced a video called "Operation Safe Place". To date, 150 of these videos have been distributed to fire departments around the country. Tubby's Clubhouses are a huge success thanks to the cooperation between our division of Parks and Recreation, Dell Computers, Lexmark and the

Fayette County Schools. Our Southland Park Redevelopment Plan received the American Society for Landscape Architects "Planning and Analysis Merit Award." Our Police Emergency Response Unit placed seventh in the world at the International SWAT Competition. Our mounted police had 5 top seven finishes including a first and second place finish in the National Mounted Police Skills Championship. And for the tenth time we received the distinguished Budget Presentation Award from the Government Finance Officers Association. We are the only government in Kentucky to receive this award. We continue to be a top ten city recognized by Forbes Magazine, Prevention Magazine and other publications utilized by business and industry. "Fiesta Latina" was named the Number one cultural arts event in the country by the National Recreation and Park Association, a tremendous award considering the competition from other parts of the country. And of course we are the number one Parks and Recreation Department in the state as listed by the Kentucky Parks and Recreation Society.

These rankings are listed on our website and were presented in the power-point presentation shown earlier. So why are rankings important? Obviously they are something to be proud of. But more importantly, they are looked at by business and organizations around the world. They are looked at by businesses that are looking to relocate or expand. Families and individuals looking for a safe place to raise their children look at these rankings. There is no greater advertising than to be listed by Forbes Magazine as the second best place to locate a company in the area of business cost. The government could never afford to advertise in these national publications, so whenever we are recognized by them it puts Lexington out there in a positive way based on what we actually do not what we say. In 2005 we reached the

one-third point of our goal to preserve 50-thousand acres of farmland with conservation easements on more than 15-thousand acres through the PDR Program.

It was a record year in building permits which show an increase of 25-percent in commercial and an 11-percent increase in single family dwellings. 2005 was also a year in which we continued to find new ways to improve government operations, save tax dollars and improve the government's bottom line. We initiated a new program of selling surplus equipment and vehicles on the internet generating 125-thousand dollars in revenue in 2005 alone. An additional 177-thousand dollars was brought in by our traditional public equipment auction.

We began using an online investment auction system to improve cash management and interest earnings. Our Law department increased collections by 106-percent over the last three years, and this year collected for the first time ever, over 1-million dollars. We saved 400-thousand dollars by changing from twice a week to once a week garbage collection. And we are correcting routing and overtime practices by extending routes for solid waste workers. We identified revenue inconsistencies in the Urban County Government Sewer Fund that is collected by RWE / Kentucky American Water, and we have so far received more than 400-thousand dollars back from Kentucky American Water. We began providing a self-funded medical plan for employees which initially saved the government one and a half million dollars. Our recycling efforts, that now include different divisions of government working with the division of Solid Waste, generated 866 thousand dollars in 2005, the most ever. Our employees continue to suggest ways to streamline operations, better utilize equipment, and save revenue without losing the quality of service citizens expect and deserve. Fortunately we've not had enough snow in two years to show them off, but our mechanics, built in- house, three combination snowplow-salt spreader- dump trucks at a savings of about 20-thousand dollars

each. We've even made a video of how the trucks were put together... all we're waiting for is enough snow to see these trucks in action. We've continued to increase the audiences for our special events programs. In 2005 more than 100-thousand people came to our events and festivities. We've also saved money by utilizing inmate labor to remove graffiti in our parks and other city locations. We are a clean city; and will continue working to stay that way. We've started litter and alley cleanup programs and we are working with Bluegrass PRIDE to clean up debris on roads. This collaboration is the beginning of a major cleanup that will improve the appearance of every roadway in Fayette County.

As I mentioned earlier, the Urban County Government is using technology in practical ways like it never has before, saving time, money, and wear and tear on equipment. Building inspectors are saving postage, printing and time by e-mailing Certificates of Occupancy for new homes. Technology has enabled us to close accounting books more quickly each month and fiscal year resulting in more timely budget reporting. We've initiated a major upgrade of the entire LFUCG technology infrastructure to be more user-friendly. Our goal for starters is "No more hand-written receipts." Government has to keep up with the growing demands of people and businesses who do things electronically. It will make us more open and accessible. We plan on having the option of doing more and more business with the public electronically in the very near future. Technology is also becoming more important as we look at safety. We placed 80 new mobile data computers in police cruisers to improve the ability of officers to gather important information on the spot. At seven different intersections across Lexington, we've installed audible signals to assist visually impaired pedestrians.

At Redding Road near Lansdowne Elementary, we installed Lexington's first pedestrian operated, wireless, solar-powered flasher to minimize the risk to children and pedestrians crossing the street.

Flashers that operate unassisted 24 hours per day are at nine locations throughout Fayette County. Morning and afternoon rush hours are a way of life for any city that has a high volume of vehicular traffic. We've placed traffic monitoring cameras at four new locations along the Broadway-Harrodsburg Road Corridor. These cameras will help alleviate traffic congestion just as they have done on other busy roadways where they are installed. This past year each department of government has in one way or another gone from doing things manually to using automated technology and we will continue to try and stay with the technology curve instead of behind it. There is no denying that Lexington is on the upswing and nowhere is that more evident than downtown. We are increasing downtown infill with 200 new residential units opened in the last 18-months and 800 more under construction or on the drawing board. Two projects have grocery outlets in their plans. We're improving pedestrian walkways and adding bike lanes to encourage more people to live downtown. In 2003 I promised we would concentrate on infill and redevelopment to preserve the beautiful undeveloped land that surrounds us and we have honored that commitment. Tremendous progress has been made in the planning for the redevelopment of the Lyric Theater site. There is also great interest in other properties in and around downtown. So where do we go from here? We will continue to do what we say we will do, within the framework of the Urban County Charter, with the best use of available resources and with the best interest of this city in mind. We will never lose sight of the fact that people love the bluegrass because of its natural beauty and the horse farms. We will work to make sure the beauty and the identity of the Horse Capital of the World

is preserved for future generations. We are going to explore the possibility of adding to our economic development office an individual dedicated to agriculture and agribusiness because it's so important. We will continue to promote job growth with existing business and continue to attract new business. Making government easier to work with has been a successful method of attracting new business. We will strengthen our downtown by continuing to foster infill and redevelopment and encourage more social and entertainment activity downtown. Infrastructure improvement will remain a top priority. Not just in filling potholes and fixing sidewalks, but in renovating sanitary and storm sewers and all the other less than glamorous repairs that must be made. This year we will establish or in some cases re-establish a police presence in neighborhoods that need a closer relationship with our law enforcement officers. We will continue on the successful path of acquiring grants and developing partnerships to help us provide safe, affordable housing for all levels of income.

Our neighborhoods are the lifeblood of this city and their needs must be met in order for us to truly move forward. In issue after issue, our citizens are involved and we will encourage public participation because that is what makes us great. That is how we meet our challenges by involving the entire community. And as I have always promised, public safety and providing quality services to all neighborhoods are top priorities for this administration. As you drive and walk around our city, take a good hard look at what you see now and try to remember what it is you saw three years ago. Look at the shopping centers at Woodhill and Southland Drive and see the investment made by the developers and the business owners to beautify those properties...They have bought into what we are doing. Look at all the activity in and around downtown day or night and see for yourself that it is no longer a graveyard after five P.M. Take a close look at our city and see for yourself how far we have come and be proud that the

positives far outweigh the negatives. We are safe, we are secure, we are prosperous, we are strong, and we are emerging... Not as America's next great city, but as a great city that continues getting stronger each year. We are a city educating all of our children. We are a city united in pride for our young people who we must encourage to stay and raise their own families here. We must have something to offer them, and we will. Look around and see for yourself the wonderful city we are all proud to call home. Your own eyes and your own ears will guide you to what is really happening and why we have come so far in three years. And after you swell up with pride as I often do in looking at Lexington, you will want to know how you can help. How you can take advantage of all our opportunities to be even better. That is what we seek and that is what we need to achieve the success we said Lexington would have. Look around. We are well on our way... Join us for a better Lexington that you will put your name on and that your children and their children can enjoy for generations to come.

Thank you.

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Upon motion, the Council adjourned.

Clerk of the Urban County Council